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56-3343

SEP 18 1956

MEMORANDUM FOR: Acting Deputy Director (Support)

SUBJECT: Information Pertaining to the Government Printing Office-  
State Service Printing Plant and Justification for its  
Acquisition by the Agency

1. In accordance with your telephone request regarding the Government Printing Office-State Service Printing Plant located in the basement of this Agency's Administration Building, there follows a brief statement of historical background and justification for its transfer to Agency control:

a. In 1942 the Office of Strategic Services procured the equipment, and through 1945, operated a combined printing and duplicating plant in the basement of South Building (now Administration Building). This plant produced intelligence material and other printing needed by OSS. The printing equipment in this plant was operated with approval of the Joint Committee on Printing.

b. In January 1946, with the transfer of the Research and Analysis Branch and other OSS components to the State Department, operation of the printing plant was also transferred to the State Department. The plant, however, remained located in South Building and continued to supply classified printing to this Agency's predecessors.

c. By agreement dated 27 November 1946, the Central Intelligence Group, Department of State, and the Government Printing Office, agreed to the transfer of the printing plant from Department of State control to the Government Printing Office. The plant remained located in the basement of South Building. The plant at that time was concerned primarily with the production of State Department and CIG work. However, work was done for other agencies including the Atomic Energy Commission and the National Security Resources Board. This work, however, amounted to only about five percent of the plant's capacity.

d. The GPO plant was not set up to do small "duplicating" or photographic work, and it was, therefore, necessary for the Central Intelligence Group to set up a small duplicating

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plant in November 1946. This facility was located in the attic of South Building and later in the basement of North Building, and had no "printing" facilities. This plant later expanded and was moved to a building located at [REDACTED] N. W., and subsequently was moved into larger quarters at [REDACTED]

[REDACTED] This facility does Agency printing which includes offset, mimeograph, ditto, and all types of photographic printing, but it does not have the equipment or personnel required to do the printing now done in the GPO-State Service Plant.

e. The operation of the GPO-State Service Plant in the Administration Building is completely separate and apart from the printing facilities operated by the Agency. This plant produces only classified printing for the Agency which consists primarily of the NIS (National Intelligence Survey) printing and related map work. It also prints other special classified work which cannot be done on the equipment in the Agency facilities. For the most part, the equipment in this plant is distinctly different from that in the Agency's printing facilities in that the work produced thereon is large letterpress and offset work, while the majority of the work done by the Agency facilities is smaller in nature. In addition, the Agency facilities produce photographic printing while the GPO-State Service Plant does none of this type of work. The GPO-State Service Plant has always been looked upon as one of the Agency's printing assets since its total production is usually required for Agency printing.

f. There are no other means available with which to produce the work now done in the GPO-State Service Plant. The NIS program alone keeps this plant occupied to the extent of about 90 percent of its capacity. The total cost for printing the NIS for Fiscal Year 1956 was approximately \$762,000, and the cost of other Agency work produced by this facility during the same period was approximately \$39,000. This amounts to approximately \$801,000 for Fiscal Year 1956. This large volume of printing cannot be absorbed by any other existing Agency classified printing facility.

g. Aside from the obvious need to consolidate the GPO-State Service Plant with Agency facilities in the new headquarters building, there are many sound reasons for assumption by the Agency of administrative control of this plant. Some of these reasons are:

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(1) Agency authority for producing its own classified printing is clearly defined in Public Law 110, 81st Congress. While this legislation does not require the Agency to perform all of its classified printing, it does permit it to do so, thus recognizing the necessity for the Agency to operate its own printing plants.

(2) Approximately 90 percent of the production of the GPO-State Service Plant is Agency work; the plant occupies Agency space, but the Agency does not have jurisdiction over it.

(3) As stated in paragraph 1a above, the Agency's predecessors procured the original printing equipment for the establishment of this facility. Much of this equipment is still in operation and can be obtained by the Agency at no cost. Other equipment in the plant can be converted to Agency control upon payment of the depreciated cost. Thus very little cost is involved in the transfer of control.

(4) The charges for printing done by the GPO-State Service Plant include GPO overhead. These charges are high and can be completely eliminated with resultant savings upon assumption of administrative control by the Agency.

(5) Still further savings can be realized upon the merger of this facility with Agency facilities in a single location. Such a merger will result in still further reduction in overhead, and will also result in far greater equipment and personnel utilization with respect to the Agency's total printing program.

(6) Peaks and valleys in the workloads of both the GPO-State Service Plant and the Agency printing facilities can be smoothed out through the shifting of work from one facility to another as workload and backlogs dictate.

(7) The location of the Agency printing facilities in the headquarters building at Langley, Virginia, (whether upon initial occupancy of the building or at

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a later date) requires the merger of this facility with the Agency facilities. Since all parties concerned now agree to the transfer on this basis it is considered politic to consummate the transfer at the time such agreement is obtainable. (The history of this plant is replete with attempts on the part of the Agency to assume operating control, but agreement of all parties concerned has never been obtained until the present).

(8) Since agreement to the transfer is now available, acquisition of this administrative control at the present time will make the actual transfer of operations smoother and easier regardless of where the facility is to be located or when actual operating control is assumed by the Agency.

(9) The Agency is now paying the salaries of these employees even though it is hidden in the O6 allotment. Even though acquisition of this facility would require increasing Agency T/O by approximately [REDACTED] positions, there would be no increase as far as the government as a whole is concerned. Further, it is possible that some reduction in overall T/O will be realized when this facility is actually merged with the Agency facilities.

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(10) The GPO-State Service Plant from time to time produces overflow work which the Agency's [REDACTED] facility cannot handle due to excessive workloads. The present situation requires an excessive amount of paper work in the nature of requisitions, billing by GPO, and payment by the Agency. This paper work would be completely eliminated and the use of the production capacity of the facility more readily available if it were under Agency administrative control.

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(11) There is a strong feeling that the Government Printing Office will eventually move this facility to its main plant at North Capitol and H Streets if it is not taken over by the Agency. Since the Agency requires the equipment and personnel of this facility for production of its classified printing, such a move on the part of the Government Printing Office would require the Agency to purchase equipment and recruit personnel to replace that now in this facility.

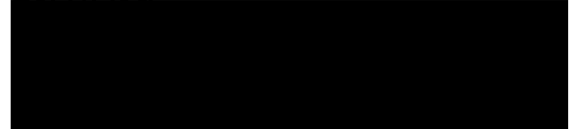
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2. The above is a fairly brief historical background of this situation along with some justification for its assumption by the Agency. The justifications cited are aside from the justification for moving the plant into a single Agency facility located in the new headquarters building. Additional information will be furnished if you require it.

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Director of Logistics

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ROUTING AND RECORD SHEET

SUBJECT: (Optional) DD/S  
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FROM: Office of Logistics  
1C-46 [REDACTED] NO.  
DATE

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TO: (Officer designation, room number, and building)	DATE		OFFICER'S INITIALS	COMMENTS (Number each comment to show from whom to whom. Draw a line across column after each comment.)
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1. Acting Deputy Director (Support) <i>121</i>				<div data-bbox="998 913 1550 1291"><p>Document No. <i>7</i> No Change in Class. <i>X</i> <input type="checkbox"/> Declassified Class. Changed to: TS <i>SC</i> Next Review Date: <i>89</i> Auth.: HR 70-2 Date: <i>1-4-79</i> By: <i>35</i></p></div> <div data-bbox="1023 1743 1494 1858"><p><del>CONFIDENTIAL</del> OL 5 5430</p></div>
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